North Dakota
FARM REPORTER

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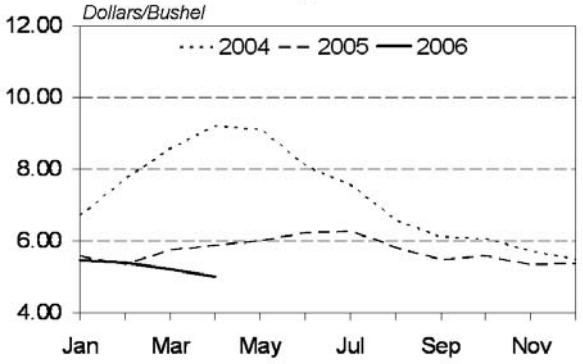
AGRICULTURAL PRICES

North Dakota
The Index of Prices Received for All Farm Products in May is 107 percent of the 1990-1992 base. This is down 3 percent from last year and 12 percent below two years ago. The All Crops Index, at 104 percent of the base, is up 1 percent from May 2005 while the All Livestock and Products Index, at 114 percent, is down 10 percent from last year. May indexes are calculated using preliminary mid-month prices.

Soybeans: Prices Received
North Dakota, 2004-2006



The April Index of Prices Received for All Farm Products, recalculated with full month prices, was 108 percent of the base, down 3 percent from April 2005. The All Crops Index, at 104 percent, was down 1 percent from the previous year and the All Livestock and Products Index, at 119 percent, was down 7 percent.

Prices Received by Farmers
North Dakota and United States, May 2006

Item	Unit	North Dakota			United States			Effective U.S. Parity Price May 2006
		Entire Month		Preliminary	Entire Month		Preliminary	
		May 2005	Apr 2006	May 2006	May 2005	Apr 2006	May 2006	
		Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
Wheat, All	*Bu*	3.32	3.76	3.97	3.31	3.81	4.07	10.40
Durum	*Bu*	3.63	3.38	3.45	3.67	3.40	3.54	NA
Other Spring	*Bu*	3.28	3.90	4.10	3.37	3.94	4.10	NA
Winter	*Bu*	2.59	3.36	1/	3.23	3.76	4.10	NA
Corn	*Bu*	1.86	1.90	1.95	1.98	2.11	2.17	7.76
Oats	*Bu*	1.32	1.62	1.55	1.64	1.75	1.76	4.31
Barley, All	*Bu*	2.00	2.18	2.09	2.46	2.67	2.70	7.25
Feed	*Bu*	1.54	1.68	1.60	1.71	1.83	1.78	NA
Malting	*Bu*	2.42	2.42	2.42	2.90	2.91	3.06	NA
Sunflower, All	*Cwt*	14.50	11.80	11.70	15.40	11.90	11.50	32.70
Oil	*Cwt*	13.50	9.59	9.50	NA	NA	NA	NA
Non-oil	*Cwt*	22.40	17.60	16.90	NA	NA	NA	NA
Baled Hay, All 2/	*Ton*	57.00	47.00	45.00	107.00	106.00	114.00	NA
Alfalfa 2/	*Ton*	61.00	50.00	49.00	116.00	110.00	118.00	NA
Other 2/	*Ton*	46.00	36.00	36.00	75.40	93.20	96.80	NA
Canola	*Cwt*	10.70	9.92	NA	NA	NA	NA	26.90
Flaxseed	*Bu*	11.60	5.56	5.50	11.60	5.56	5.50	15.50
Soybeans	*Bu*	6.00	5.09	5.25	6.21	5.52	5.62	17.20
Dry Edible Beans, All	*Cwt*	23.30	14.40	13.70	31.10	19.00	22.80	54.80
Navy	*Cwt*	18.20	17.10	NA	NA	NA	NA	NA
Pinto	*Cwt*	23.90	14.20	NA	NA	NA	NA	NA
Potatoes, All	*Cwt*	5.85	7.80	8.55	6.23	7.97	8.29	16.00
Fresh 3/	*Cwt*	6.00	12.00	NA	7.42	10.62	NA	NA
Processing	*Cwt*	6.20	6.05	NA	5.68	6.09	NA	NA
Beef Cattle	*Cwt*	90.10	90.10	80.90	92.10	84.80	81.80	192.00
Steers & Heifers	*Cwt*	111.00	99.20	102.00	96.10	89.30	85.80	NA
Cows	*Cwt*	62.50	51.20	53.00	58.30	48.50	48.00	NA
Calves	*Cwt*	139.00	125.00	123.00	143.00	135.00	132.00	267.00
Sheep	*Cwt*	44.00	37.00	NA	43.70	34.90	NA	95.40
Lambs	*Cwt*	114.00	90.00	NA	114.00	86.80	NA	232.00
Hogs	*Cwt*	54.50	40.60	NA	54.90	41.30	47.20	117.00

1/ Price not published to avoid disclosure of individual firms. 2/ Alfalfa, other and all hay are preliminary prices only. 3/ Fresh market prices only, includes table stock. NA=Not applicable.

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AGRICULTURAL PRICES (Continued)

United States

The May All Farm Products Index is 114 percent of its 1990-92 base, up 1 percent from the April index but 4 percent below the May 2005 index. The All Crops Index is 126, up 2 percent from April and 9 percent above May 2005. The Food Grains Index, at 132, is 6 percent above the previous month and 21 percent above a year ago. The Feed Grains and Hay Index is 107, up 5 percent from last month and 8 percent above a year ago. The Oil Bearing Crops Index, at 100, is up 1 percent from April but 10 percent lower than May 2005. The Livestock and Products Index, at 104, is 1 percent below last month and down 14 percent from May 2005.

Index Numbers of Farm Prices
North Dakota and United States, May 2006

Indexes and Ratios	North Dakota			United States		
	May 2005	Apr 2006	May 2006	May 2005	Apr 2006	May 2006
Prices Received	*(1990-92 = 100)*					
All Farm Products	110	108	107	119	113	114
Crops	103	104	104	116	123	126
Food Grains	104	119	124	109	125	132
Feed Grains & Hay	90	92	91	99	102	107
Oil Bearing Crops [1/]	118	97	96	111	99	100
Potatoes & Dry Beans [2/]	92	97	95	122	133	140
Livestock and Products	126	119	114	121	105	104
Meat Animals	129	119	113	125	111	111
Dairy Products	130	132	130	113	93	92
Other Livestock Products [3/]	101	101	100	122	102	101
Prices Paid	NA	NA	NA	140	146	146
Ratio [4/]	NA	NA	NA	85	77	78

1/ Includes non-oil sunflower. 2/ North Dakota includes sugarbeets. 3/ United States excludes wool. 4/ Ratio of Index of Prices Received to Index of Prices Paid. NA=Not applicable.

AG CHEMICAL USAGE

North Dakota

North Dakota farm operators applied nitrogen to 99 percent of the corn acres in 2005. Phosphate was applied to 94 percent of the corn acres, potash to 38 percent, and sulfur to 8 percent. Comparison data for corn acreage came from 2003. During 2003, nitrogen was applied to 98 percent of corn acreage, phosphate 87 percent and potash 37 percent.

During 2005, nitrogen was applied to 100 percent of the fall potato acres. Phosphate was applied to 100 percent, potash 96 percent, and sulfur applications covered 54 percent. Comparison data for fall potato acreage came from 2003. During 2003, nitrogen was applied to 97 percent of the fall potato acreage, phosphate 92 percent and potash 84 percent.

Nitrogen was applied 71 percent of the oat planted acreage in 2005. Phosphate was applied to 49 percent, potash to 9 percent and sulfur to 5 percent. No comparison data for North Dakota fertilizer applications from previous years is available for oat acreage.

Glyphosate iso. salt was the most commonly applied herbicide for corn in 2005, with 56 percent of the acreage covered. Other herbicides used for corn include Atrazine, Dicamba-Sodium salt, and Diflufenzopyr-sodium applied to 20 percent, 18 percent and 18 percent of the acreage, respectively. During 2003, Glyphosate was applied to 40 percent of the corn acreage, Atrazine 34 percent, Diflufenzopyr-sodium 25 percent and Dicamba-Dimet. salt 24 percent.

The most popular herbicide applied to fall potatoes in North Dakota in 2005, with 47 percent of the acreage covered, was Metribuzin. Cyfluthrin, used on 28 percent of fall potato acreage, was the most popular insecticide. Chlorothalonil and Mancozeb were the most popular fungicides used on 78 and 71 percent, respectively, of the fall potato acreage. During 2003, Metribuzin was the most popular fall potato herbicide , with applications to 42 percent of the acreage. Cyfluthrin was the most popular insecticide in 2003 for fall potatoes with applications made to 45 percent of the acreage. Chlorothalonil and Mancozeb, at 80 and 79 percent, respectively, were the most popular fungicides applied for fall potatoes in 2003.

For oats, 2,4-D, dimeth. salt was the most commonly applied herbicide, covering 21 percent of the 2005 acreage. Other herbicides used were MCPA, 2-ethylhexyl at 18 percent and Glyphosate iso. salt at 17 percent. No comparison data for North Dakota herbicide applications from previous years is available for oat acreage.

The agricultural chemical use estimates in this report refer to on-farm use of commercial fertilizers and pesticides on targeted crops for the 2005 crop year. The farmers operating the sampled fields were personally interviewed late in the growing season or after the farm operator had indicated that planned fertilizing and pesticide applications were completed.

MEAT ANIMALS – PRODUCTION & INCOME

North Dakota

Cattle and Calves: Cash receipts from marketings of cattle and calves during 2005 increased 8 percent form 2004. All cattle and calf marketings during 2005 were down 2 percent from 2004. The 2005 annual average price of cattle and calves, at $102.00 per 100 pounds live weight (cwt), was up from the 2004 price of $92.50 and a record high.

Sheep and Lambs: Cash receipts from marketings of sheep and lambs in 2005 increased 11 percent from 2004. Marketings increased 15 percent from the previous year. The average annual price of sheep and lambs per cwt for 2005 decreased from $87.70 to $84.90.

Hogs and Pigs: Cash receipts from marketings of hogs and pigs during 2005 were up 18 percent from the previous year. Marketings were 9 percent above 2004 while the 2005 annual average price per cwt decreased from $51.40 to $51.30.

Meat Animals: Production & Income, North Dakota, 2000-2005

Year	Production	Marketings	Average Price Per 100 Lbs	Value of Production	Cash Receipts	Value of Home Consumption	Gross Income
	1,000 Pounds	*1,000 Pounds*	*Dollars*	*1,000 Dollars*	*1,000 Dollars*	*1,000 Dollars*	*1,000 Dollars*
				Cattle & Calves			
2000	643,912	614,980	75.80	483,194	466,393	5,575	471,968
2001	662,659	736,820	79.50	524,046	585,742	5,824	591,566
2002	686,606	836,925	73.10	500,095	612,180	5,402	617,582
2003	745,605	870,000	79.40	588,039	690,905	6,165	697,070
2004	763,410	799,250	92.50	702,022	738,975	7,408	746,383
2005	745,213	782,250	102.00	759,494	799,083	8,311	807,394
				Sheep & Lambs			
2000	10,615	10,869	69.30	7,175	7,533	94	7,627
2001	9,095	10,263	53.60	4,983	5,504	73	5,577
2002	9,255	13,909	54.40	5,430	7,569	90	7,659
2003	7,472	10,799	71.50	6,130	7,718	82	7,800
2004	7,705	8,265	87.70	6,617	7,249	80	7,329
2005	7,746	9,489	84.90	6,926	8,055	87	8,142
				Hogs & Pigs			
2000	100,229	102,390	43.10	46,114	47,891	459	48,350
2001	92,042	97,840	45.40	44,657	47,917	489	48,406
2002	79,018	82,040	36.40	31,345	32,704	386	33,090
2003	66,980	67,409	39.70	29,645	30,252	425	30,677
2004	66,934	69,628	51.40	38,920	42,112	561	42,673
2005	69,670	75,582	51.30	43,894	49,571	551	50,122

FARM LABOR

Northern Plains

During the week of April 9-15, 2006, farm operators paid hired workers an average of $9.84 per hour in the Northern Plains region of Kansas, Nebraska, North Dakota and South Dakota. This compares with $9.70 per hour during April 10-16, 2005. Paid workers with fieldwork responsibilities averaged $9.67 per hour during the 2006 period and livestock workers averaged $8.64.

United States

Farm operators paid their hired workers an average wage of $9.79 per hour during the April 2006 reference week, up 44 cents from a year earlier. Field workers received an average of $8.96 per hour, up 40 cents from last April, while livestock workers earned $9.30 per hour compared with $9.14 a year earlier.

Hired Workers: Wage Rates by Type of Worker
Northern Plains and United States[1]

Item	Northern Plains[2]		United States[3]	
	April 10-16, 2005	April 9-15, 2006	April 10-16, 2005	April 9-15, 2006
	Dollars per Hour	*Dollars per Hour*	*Dollars per Hour*	*Dollars per Hour*
All Farm Workers	9.70	9.84	9.35	9.79
Field	9.33	9.67	8.56	8.96
Livestock	9.69	8.64	9.14	9.30
Field and Livestock	9.46	9.25	8.72	9.07

1 Excludes agricultural service workers. 2 Northern Plains includes Kansas, Nebraska, North Dakota and South Dakota. 3 Excludes AK.

GROWING MORE WITH LESS CROPLAND

Despite long term declines in crop prices and widespread concerns over urban encroachment on farmlands, cropland area has dipped only slightly since the 1940s while technological advances have boosted agricultural output. Between 1997 and 2002, U.S. total cropland area declined about 3 percent to 442 million acres, the lowest level since USDA began compiling this statistic in 1945. Although this decline marks a milestone in terms of land use, it does not mean a reduction in agricultural production. In fact, the opposite is true: Increasing productivity is allowing U.S. farmers to produce more crops with less land.

The value of U.S. crop output in 2002, measured in real (inflation-adjusted) terms, was 2.6 times higher than in 1948, although the value of aggregate input use declined over this period. Thus, farmers are extracting more output and greater dollar value out of fewer resources. Greater use of nonland capital and materials like energy and agricultural chemicals has substituted for land and labor. Increases in yields, due to improved seeds and other technological changes, have also raised output. From 1945 to 2002, average corn yields quadrupled while real prices received for grains fell by 80 percent. As a result of rising productivity, despite a smaller land area devoted to crops, U.S. agricultural output continues to grow and consumers continue to pay lower real prices.

Total cropland includes land planted for crops, land used for pasture as part of a crop rotation, and cropland idled under government programs, such as USDA's Conservation Reserve Program, which pays farmers to voluntarily retire environmentally sensitive cropland under 10- to 15-year contracts. Since World War II, total cropland area has ranged between 442 and 478 million acres and only decreased by 9 million acres (2 percent) between 1945 and 2002. The decline in total cropland from 1945 was due to a 23-million-acre (6 percent) reduction in the area planted for crops, which was offset by an increase in cropland pasture. Cropland used for crops peaked at 387 million acres in 1949, reached a 57-year low of 327 million acres in 1988, and has since held steady at around 340 million acres.

The long-term changes in national cropland acreage mask greater land-use redistribution occurring at regional and State levels. From 1945 to 2002, total cropland in the Southeast, Northeast, Appalachia, Lakes States, Delta States, and Far West declined by about 37 million acres (24 percent), but increased by 28 million acres (10 percent) in the remaining regions. This further concentrated acreage of cropland in the major crop producing regions.

Source: *Amber Waves*, USDA-ERS, June 2006

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